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CHAPTER 274

SENATE BILL 1502

AN ACT

AMENDING SECTIONS 48-262, 48-805, 48-820 AND 48-822, ARIZONA REVISED
STATUTES; RELATING TO FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-262, Arizona Revised Statutes, is amended to
3 read:

4 48-262. District boundary changes; procedures; notice; hearing;
5 determinations; petitions

6 A. Except as prescribed by subsection I of this section, a fire
7 district, community park maintenance district or sanitary district shall
8 change its boundaries by the following procedures:

9 1. Any adult person desiring to propose any change to the boundaries
10 of a district shall prepare and submit a boundary change impact statement to
11 the governing body of the district. The boundary change impact statement
12 shall contain at least the following information:

13 (a) A legal description of the boundaries of the area to be included
14 within the proposed change and a detailed, accurate map of the area. The
15 boundaries of the proposed change shall not overlap with the boundaries of
16 any other proposed new district of the same type or any annexation by a
17 district of the same type for which petitions are being circulated on the
18 date that the boundary change impact statement is filed with the governing
19 body.

20 (b) An estimate of the assessed valuation within the boundaries of the
21 proposed change.

22 (c) An estimate of the change in the tax rate of the district if the
23 proposed change is made.

24 (d) An estimate of the change in the property tax liability, as a
25 result of the proposed change, of a typical resident of a portion of the
26 district, not in the area of the proposed change, before and after the
27 proposed change and of a typical resident of the area of the proposed change.

28 (e) A list and explanation of benefits that will result from the
29 proposed change to the residents of the area and of the remainder of the
30 district.

31 (f) A list and explanation of the injuries that will result from the
32 proposed change to residents of the area and of the remainder of the
33 district.

34 2. On receipt of the boundary change impact statement, the governing
35 body shall set a day, not fewer than twenty nor more than thirty days from
36 that date, for a hearing on the boundary change impact statement. The board
37 of supervisors may at any time prior to making a determination pursuant to
38 paragraph 5 of this subsection require that the impact statement be amended
39 to include any information that the board of supervisors deems to be relevant
40 and necessary.

41 3. Upon receipt of the boundary change impact statement, the clerk
42 of the governing body shall mail, by first class mail, written notice of the
43 statement, its purpose and notice of the day, hour and place of the hearing
44 on the proposed change to each owner of taxable property within the
45 boundaries of the proposed change. The clerk of the governing body shall

1 post the notice in at least three conspicuous public places in the area of
2 the proposed change and also publish twice in a daily newspaper of general
3 circulation in the area of the proposed change, at least ten days before the
4 hearing, or if no daily newspaper of general circulation exists in the area
5 of the proposed change, ~~then~~ at least twice at any time before the date of
6 the hearing, a notice setting forth the purpose of the impact statement, the
7 description of the boundaries of the proposed change and the day, hour and
8 place of the hearing.

9 4. Upon ON receipt of the boundary change impact statement the clerk
10 shall also mail notice, as provided in paragraph 3 of this subsection, to the
11 chairman of the board of supervisors of the county in which the district is
12 located. The chairman of the board of supervisors shall order a review of
13 the proposed change and may submit written comments to the governing body of
14 the district within ten days of receipt of the notice.

15 5. At the hearing called pursuant to paragraph 2 of this subsection,
16 the governing body shall consider the comments of the board of supervisors,
17 hear those who appear for and against the proposed change and determine
18 whether the proposed change will promote the public health, comfort,
19 convenience, necessity or welfare. If the governing body determines that the
20 public health, comfort, convenience, necessity or welfare will be promoted,
21 it shall approve the impact statement and authorize the persons proposing the
22 change to circulate petitions as provided in this subsection. The order of
23 the governing body shall be final, but if the request to circulate petitions
24 is denied, a subsequent request for a similar change may be refiled with the
25 governing body after six months from the date of such denial.

26 6. The governing body shall not approve a proposed annexation if the
27 property to be annexed is not contiguous with the district's existing
28 boundary. For purposes of determining whether or not the proposed addition
29 is contiguous, the addition is deemed contiguous if land that is owned by or
30 under the jurisdiction of the United States government, this state or any
31 political subdivision of this state, other than an incorporated city or town,
32 intervenes between the proposed addition and the current district boundary.

33 7. The governing body shall not approve a proposed annexation if the
34 area proposed to be annexed surrounds any unincorporated territory and that
35 unincorporated territory is not also included in the district.

36 8. After receiving the approval of the governing body as provided in
37 paragraph 5 of this subsection and provided no appeal filed pursuant to
38 paragraph 14 of this subsection remains unresolved, any adult person may
39 circulate and present petitions to the governing body of the district.

40 9. Within fifteen days after receiving the approval of the governing
41 body as prescribed by paragraph 5 of this subsection, the clerk of the board
42 shall determine the minimum number of signatures required to comply with
43 paragraph 10, subdivision (b) of this subsection. After making that
44 determination, that number of signatures shall remain fixed, notwithstanding

1 any subsequent changes in ownership of the property within the boundaries of
2 the proposed change.

3 10. The petitions presented pursuant to paragraph 8 of this subsection
4 shall comply with the provisions regarding petition form in section 48-266
5 and shall:

6 (a) At all times, contain a legal description of the boundaries of the
7 area to be included within the proposed change and a detailed, accurate map
8 of the area included within the proposed change. No alteration of the
9 described area shall be made after receiving the approval of the governing
10 body as provided in paragraph 5 of this subsection.

11 (b) Be signed by more than one-half of the property owners within the
12 boundaries of the proposed change and be signed by persons owning
13 collectively more than one-half of the assessed valuation of the property
14 within the boundaries of the proposed change.

15 11. On receipt of the petitions, the governing body shall set a day,
16 not fewer than ten nor more than thirty days from that date, for a hearing on
17 the request.

18 12. Prior to the hearing called pursuant to paragraph 11 of this
19 subsection, the board of supervisors shall determine the validity of the
20 petitions presented pursuant to subsection B of this section.

21 13. At the hearing called pursuant to paragraph 11 of this subsection,
22 the governing body, if the petitions are valid, shall order the change to the
23 boundaries. The governing body shall enter its order setting forth its
24 determination in the minutes of the meeting, not later than ten days from the
25 day of the hearing, and a copy of the order shall be sent to the officer in
26 charge of elections and a copy shall be recorded in the county recorder's
27 office. The order of the governing body shall be final, and the proposed
28 change shall be made to the district boundaries thirty days after the
29 governing body votes.

30 14. On filing a verified complaint with the superior court, the
31 attorney general, the county attorney or any other interested party may
32 question the validity of the annexation for failure to comply with this
33 section. The complaint shall include a description of the alleged
34 noncompliance and shall be filed within thirty days after the governing body
35 of the district adopts a resolution that annexes the territory of the
36 district. The burden of proof is on the plaintiff to prove the material
37 allegations of the verified complaint. An action shall not be brought to
38 question the validity of an annexation resolution unless it is filed within
39 the time and for the reasons prescribed in this subsection. All hearings
40 that are held pursuant to this paragraph and all appeals of any orders shall
41 be preferred and shall be heard and determined in preference to all other
42 civil matters, except election actions. If more than one complaint
43 questioning the validity of an annexation resolution is filed, all such
44 complaints shall be consolidated for the hearing.

1 B. For the purpose of determining the validity of the petitions
2 presented pursuant to subsection A, paragraph 8 of this section:

3 1. Property held in multiple ownership shall be treated as if it had
4 only one property owner, so that the signature of only one of the owners of
5 property held in multiple ownership is required on the boundary change
6 petition.

7 2. The value of property shall be determined as follows:

8 (a) In the case of property assessed by the county assessor, values
9 shall be the same as those shown on the last assessment roll of the county
10 containing such property.

11 (b) In the case of property valued by the department of revenue, the
12 values shall be those determined by the department in the manner provided by
13 law, for municipal assessment purposes. The county assessor and the
14 department of revenue, respectively, shall furnish to the governing body,
15 within twenty days after such a request, a statement in writing showing the
16 owner, the address of each owner and the appraisal or assessment value of
17 properties contained within the area of a proposed change as described in
18 subsection A of this section.

19 3. All petitions circulated shall be returned to the governing body of
20 the district within one year from the date of the approval given by the
21 governing body pursuant to subsection A, paragraph 5 of this section. Any
22 petition returned more than one year from that date is void. If an appeal is
23 filed pursuant to subsection A, paragraph 14 of this section, this time
24 period for gathering signatures is tolled beginning on the date an action is
25 filed in superior court and continuing until the expiration of the time
26 period for any further appeal.

27 C. For the purposes of determining whether or not the proposed
28 addition is contiguous, the addition is deemed contiguous if land that is
29 owned by or under the jurisdiction of the United States government, this
30 state or any political subdivision of this state, other than an incorporated
31 city or town, intervenes between the proposed addition and the current
32 district boundary. Property shall not be approved for annexation if the area
33 proposed to be annexed surrounds any unincorporated territory and that
34 unincorporated territory is not also included in the district.

35 D. If the change in the boundaries proposed pursuant to subsection A
36 of this section would result in a withdrawal of territory from an existing
37 district, the petitions shall be approved by the governing body only if the
38 proposed withdrawal would not result in a noncontiguous portion of the
39 district that is less than one square mile in size.

40 E. If the impact statement described in subsection A of this section
41 relates to the withdrawal of property from a district, in addition to the
42 other requirements of subsection A of this section, the governing body shall
43 also determine:

44 1. If the district has any existing outstanding bonds or other
45 evidences of indebtedness.

1 2. If those bonds were authorized by an election and issued during the
2 time the property to be withdrawn was lawfully included within the district.

3 F. If the conditions of subsection E of this section are met:

4 1. The property withdrawn from the district shall remain subject to
5 taxes, special assessments or fees levied or collected to meet the contracts
6 and covenants of the bonds. The board of supervisors shall provide for the
7 levy and collection of such taxes, special assessments or fees.

8 2. The governing body shall:

9 (a) Annually determine the amount of special property taxes, special
10 assessments or fees that must be levied and collected from property withdrawn
11 from the district and the mechanism by which such amount is to be collected.

12 (b) Notify the board of supervisors on or before the third Monday in
13 July of the amount determined in subdivision (a) of this paragraph.

14 3. Property withdrawn from an existing district shall not be subject
15 to any further taxes, special assessments or fees arising from the
16 indebtedness of such district except as provided in this subsection.

17 G. If the statement described in subsection A, paragraph 1 of this
18 section requests the annexation of property located within an incorporated
19 city or town, in addition to the other requirements of subsection A of this
20 section, the governing body shall approve the district boundary change impact
21 statement and authorize the circulation of petitions only if the governing
22 body of the city or town has by ordinance or resolution endorsed such
23 annexation and such annexation is authorized pursuant to this title.

24 H. Except as provided in subsection D of this section and section
25 48-2002, no change in the boundaries of a district pursuant to this section
26 shall result in a district which contains area that is not contiguous.

27 I. Notwithstanding subsection A of this section, any property owner,
28 including a county, this state or the United States government, whose land is
29 within a county that contains a sanitary district or fire district and whose
30 land is contiguous to the boundaries of the sanitary district or fire
31 district may request in writing that the governing body of the district amend
32 the district boundaries to include that property owner's land. IF THE
33 PROPERTY IS LOCATED IN AN INCORPORATED CITY OR TOWN, IN ADDITION TO THE OTHER
34 REQUIREMENTS PRESCRIBED IN THIS SUBSECTION, THE GOVERNING BODY OF THE FIRE
35 DISTRICT OR SANITARY DISTRICT MAY APPROVE THE BOUNDARY CHANGE ONLY IF THE
36 GOVERNING BODY OF THE AFFECTED CITY OR TOWN BY ORDINANCE OR RESOLUTION HAS
37 APPROVED THE INCLUSION OF THE PROPERTY IN THE DISTRICT. A request made
38 pursuant to this subsection shall be made before the county board of
39 supervisors orders the creation of a proposed new district of the same type
40 or the district governing body orders the annexation by a district of the
41 same type in which the property owner's land is proposed for inclusion and
42 for which petitions are being circulated. If the governing body determines
43 that the inclusion of that property will benefit the district and the
44 property owner, the boundary change may be made by order of the governing
45 body and is final on the recording of the governing body's order that

1 includes a legal description of the property that is added to the district.
2 If the governing body does not order the boundary change, the land shall be
3 included in the boundaries of the proposed new district of the same type or
4 annexation by a district of the same type in which the property owner's land
5 is proposed for inclusion and for which petitions are being circulated. A
6 petition and impact statement are not required for an amendment to a sanitary
7 district's or fire district's boundaries made pursuant to this subsection.

8 J. A fire district shall not annex or otherwise add territory that is
9 already included in another existing fire district, unless deannexed pursuant
10 to subsections D, E and F of this section.

11 K. A fire district, community park maintenance district or sanitary
12 district may appropriate and spend monies as necessary or reasonably required
13 to assist one or more individuals or entities to change the district's
14 boundaries pursuant to this section.

15 L. Notwithstanding subsection A of this section, if an incorporated
16 city or town has previously adopted a resolution designating a fire district
17 as the fire service agency for the city or town, the jurisdictional
18 boundaries of the fire district without further notice or election shall be
19 changed to include any property annexed into the city or town. If the
20 annexation occurs pursuant to a joint petition for annexation, any joint
21 petition for annexation shall clearly indicate in its title and in the notice
22 required in THE petition that the property to be annexed will be subject to
23 the jurisdiction of both the city or town and the fire district. A joint
24 petition for annexation shall comply with both section 9-471 and this
25 section. Any fire district boundary change that occurs through city or town
26 annexation pursuant to this subsection is effective on the effective date of
27 the annexation by the incorporated city or town. If an incorporated city or
28 town that has designated a fire district as the fire service agency for that
29 city or town annexes property that is already part of another fire district,
30 the annexed property shall remain part of the fire district in which it was
31 located before the city or town's annexation.

32 M. For the purposes of this section, assessed valuation does not
33 include the assessed valuation of property that is owned by a county, this
34 state or the United States government.

35 Sec. 2. Section 48-805, Arizona Revised Statutes, is amended to read:
36 48-805. Fire district; powers and duties

37 A. A fire district, through its board or elected chief and
38 secretary-treasurer, shall:

39 1. Hold public meetings at least once each calendar month.

40 2. Prepare an annual budget that contains detailed estimated
41 expenditures for each fiscal year and that clearly shows salaries payable to
42 employees of the district, including the appointed chief. For a fire
43 district governed by an elected chief and elected secretary-treasurer, AND
44 ~~beginning on the effective date of this amendment to this section~~ JULY 29,
45 2010, the amount of any salary for the chief and the secretary-treasurer

1 shall remain unchanged for the remainder of the term of office. The budget
2 shall be posted in three public places and published in a newspaper of
3 general circulation in the district ~~thirty~~ TWENTY days before a public
4 hearing at a meeting called by the board or elected chief to adopt the budget
5 AND IF THE FIRE DISTRICT MAINTAINS A PUBLICLY VIEWABLE WEBSITE, THE BUDGET
6 SHALL BE POSTED FOR THE PUBLIC ON THE WEBSITE AT LEAST TWENTY DAYS BEFORE THE
7 PUBLIC HEARING. Copies of the budget shall also be available to members of
8 the public on written request to the district. Following the public hearing,
9 the district board or elected chief and secretary-treasurer shall adopt a
10 budget.

11 3. Determine the compensation payable to district personnel.

12 4. Require probationary employees in a paid sworn firefighter
13 position, a reserve firefighter position or a volunteer firefighter position
14 to submit a full set of fingerprints to the fire district. The fire district
15 shall submit the fingerprints to the department of public safety for the
16 purpose of obtaining a state and federal criminal records check pursuant to
17 section 41-1750 and Public Law 92-544. The department of public safety may
18 exchange this fingerprint data with the federal bureau of investigation.

19 B. A fire district, through its board or elected fire chief and
20 secretary-treasurer, may:

21 1. Employ any personnel and provide services deemed necessary for fire
22 protection, for preservation of life and for carrying out its other powers
23 and duties, including providing ambulance transportation services when
24 authorized to do so pursuant to title 36, chapter 21.1, article 2, but a
25 member of a district board shall not be an employee of the district. The
26 merger of two or more fire districts pursuant to section 48-820 or the
27 consolidation with one or more fire districts pursuant to section 48-822
28 shall not expand the boundaries of an existing certificate of necessity
29 unless authorized pursuant to title 36, chapter 21.1, article 2.

30 2. Construct, purchase, lease, lease-purchase or otherwise acquire the
31 following or any interest therein and, in connection with such construction
32 or other acquisition, purchase, lease, lease-purchase or grant a lien on any
33 or all of its present or future property, including:

34 (a) Apparatus, water and rescue equipment, including ambulances and
35 equipment related to any of the foregoing.

36 (b) Land, buildings, equipment and furnishings to house equipment and
37 personnel necessary or appropriate to carry out its purposes.

38 3. Finance the acquisition of property as provided in this section and
39 costs incurred in connection with the issuance of bonds as provided in
40 section 48-806. Bonds shall not be issued without the consent of a majority
41 of the electors of the district voting at an election held for that purpose.
42 For the purposes of an election held under this paragraph, all persons who
43 are eligible to vote in fire district elections under section 48-802 are
44 eligible to vote.

1 4. Enforce the fire code adopted by the district, if any, and assist
2 the state fire marshal in the enforcement of fire protection standards of
3 this state within the fire district including enforcement of a nationally
4 recognized fire code when expressly authorized by the state fire marshal.

5 5. After the approval of the qualified electors of the fire district
6 voting at a regular district election or at a special election called for
7 such purpose by the district board or the elected chief and
8 secretary-treasurer, as appropriate, or at any election held in the county
9 which encompasses the fire district, adopt the _____ fire code, which is
10 a nationally recognized fire code approved by the state fire marshal. The
11 words appearing on the ballots shall be "should _____ fire district
12 adopt the _____ fire code, which is a nationally recognized fire
13 code approved by the state fire marshal--yes", "should _____ fire
14 district adopt the _____ fire code, which is a nationally recognized
15 fire code approved by the state fire marshal--no". Such code shall be
16 enforced by the county attorney in the same manner as any other law or
17 ordinance of the county. Any inspection or enforcement costs are the
18 responsibility of the fire district involved. The district shall keep on
19 file such code which shall be open to public inspection for a period of
20 thirty days prior to any election for the purpose of adopting a fire code.
21 Copies of the order of election shall be posted in three public places in the
22 district not less than twenty days before the date of the election, and if a
23 newspaper is published in the county having a general circulation in the
24 district, the order shall be published in the newspaper not less than once a
25 week during each of the three calendar weeks preceding the calendar week of
26 the election.

27 6. Amend or revise the adopted fire code, including replacement of the
28 adopted fire code with an alternative nationally recognized fire code, with
29 the approval of the state fire marshal and after a hearing held pursuant to
30 posted and published notice as prescribed by subsection A, paragraph 2 of
31 this section. The district shall keep three copies of the adopted code,
32 amendments and revisions on file for public inspection.

33 7. Enter into an agreement procuring the services of an organized
34 private fire protection company or a fire department of a neighboring city,
35 town, district or settlement without impairing the fire district's powers.

36 8. Contract with a city or town for fire protection services for all
37 or part of the city or town area until the city or town elects to provide
38 regular fire department services to the area.

39 9. Retain a certified public accountant to perform an annual audit of
40 district books.

41 10. Retain private legal counsel.

42 11. Accept gifts, contributions, bequests and grants and comply with
43 any requirements of such gifts, contributions, bequests and grants not
44 inconsistent with this article.

1 12. Appropriate and expend annually such monies as are necessary for
2 the purpose of fire districts belonging to and paying dues in the Arizona
3 fire district association and other professional affiliations or entities.

4 13. Adopt resolutions establishing fee schedules both within and
5 outside of the jurisdictional boundaries of the district for providing fire
6 protection services and services for the preservation of life, including
7 emergency fire and emergency medical services, plan reviews, standby charges,
8 fire cause determination, users' fees, facilities benefit assessments or any
9 other fee schedule that may be required.

10 14. Adopt resolutions for a schedule for financial reimbursement to
11 taxpayers for installation of certain fire protection systems such as
12 sprinklers and monitored alarms. Any resolution to offer reimbursements
13 shall include all of the following:

14 (a) A nationally recognized analysis of the cost savings to the
15 district by using the fire protection systems.

16 (b) The specifications of all qualifying systems.

17 (c) The requirements for claiming reimbursement. The amount of
18 reimbursement offered shall bear a reasonable relationship to the cost
19 savings that accrue to the district as a result of the installation of
20 qualifying systems.

21 (d) The requirement that the resolution to offer reimbursements
22 expires one year after its adoption unless specifically readopted by the
23 governing board. A resolution to readopt a schedule for financial
24 reimbursement shall additionally include a statement as to the program's
25 effectiveness. The statement shall include the amount of reimbursements paid
26 to each taxpayer for the installation of the fire protection system.

27 15. With the approval of two of the three members of a three member
28 board, four of the five members of a five member board or five of the seven
29 members of a seven member board, change the district's name and on so doing
30 shall give written notice to the board of supervisors of the change. THE
31 GOVERNING BOARD OF A FIRE DISTRICT MAY PLACE A QUESTION ON THE GENERAL
32 ELECTION BALLOT AS TO WHETHER THE FIRE DISTRICT SHALL CHANGE ITS NAME.

33 16. Require all employees to submit a full set of fingerprints as
34 prescribed by subsection A, paragraph 4 of this section.

35 17. Enter into intergovernmental agreements or contracts as follows:

36 (a) Enter into an intergovernmental agreement with another political
37 subdivision for technical or administrative services or to provide fire
38 services to the property owned by the political subdivision, including
39 property that is outside the district boundary.

40 (b) Enter into a contract with individuals to provide technical or
41 administrative services.

42 (c) Enter into a contract with individuals to provide fire protection
43 services or emergency medical services, or both, to the extent not regulated
44 by title 36, chapter 21.1 to property owned by the individual located outside
45 the district boundaries if the individual's property is not located in a

1 county island as defined in section 11-251.12 and at least one of the
2 following apply:

3 (i) The existing fire service provider where the individual's property
4 is located has issued a notice to the individual that the provider plans to
5 discontinue service.

6 (ii) Fire service is not available to the individual's property.

7 (iii) Fire service is offered pursuant to a contract or subscription
8 and the individual has not obtained service for a period of twenty-four
9 months before the date of the contract with the district.

10 (d) Enter into a contract with individuals to provide fire services to
11 property owned by the individual located outside the district boundaries,
12 where the individual's property is located in a county island as defined in
13 section 11-251.12, if both of the following apply:

14 (i) The existing fire service provider where the individual's property
15 is located has issued a notice to the residents of the county island and the
16 individual that the provider plans to discontinue or substantially reduce
17 service.

18 (ii) The district offers contracts to all residents and property
19 owners of the county island who will be affected by the discontinuance or
20 substantial reduction in service by the current fire service provider.

21 (e) For the purposes of subdivision (a), (b), (c) or (d) of this
22 paragraph, a district may contract with any public or private fire service
23 provider to provide some or all of the contractual services the district is
24 contracting to deliver.

25 (f) Any contract entered into pursuant to subdivisions (b), (c) and
26 (d) of this paragraph shall include a provision setting forth the cost of
27 service and performance criteria.

28 C. The chairman and clerk of the district board or their respective
29 designees or the elected chief and secretary-treasurer, as applicable, shall
30 draw warrants on the county treasurer for money required to operate the
31 district in accordance with the budget and, as so drawn, the warrants shall
32 be sufficient to authorize the county treasurer to pay from the fire district
33 fund.

34 D. The district shall not incur any debt or liability in excess of
35 taxes levied and to be collected and the money actually available and
36 unencumbered at the time in the fund, except as provided in subsection B,
37 paragraph 2 of this section and in sections 48-806 and 48-807.

38 E. The district board may assess and levy a secondary property tax
39 pursuant to this article to pay for the costs of fire protection services or
40 emergency medical services except for services regulated pursuant to title
41 36, chapter 21.1.

42 F. The county attorney may advise and represent the district when in
43 the county attorney's judgment such advice and representation are appropriate
44 and not in conflict with the county attorney's duties under section 11-532.
45 If the county attorney is unable to advise and represent the district due to

1 a conflict of interest, the district may retain private legal counsel or may
2 request the attorney general to represent it, or both.

3 Sec. 3. Section 48-820, Arizona Revised Statutes, is amended to read:

4 48-820. Election to merge fire districts; notice; hearing;
5 approval; joint meeting; merged district board

6 A. Except as provided in subsection J of this section, the board of
7 supervisors shall make an order calling for an election to decide whether to
8 merge fire districts when a resolution for merger from each district is
9 submitted to the board. The board of supervisors shall not make an order
10 calling for an election to merge fire districts more frequently than once
11 every two years. Whether or not the districts are merged, the fire districts
12 shall reimburse the counties for the expenses of the election, including the
13 cost of mailing any notices required pursuant to this section. If the
14 proposed district is located in more than one county, the resolutions shall
15 be submitted to the board of supervisors of the county in which the majority
16 of the assessed valuation of the proposed district is located. The words
17 appearing on the ballot shall be "(insert fire districts' names) merge as a
18 fire district--yes" and "(insert fire districts' names) merge as fire
19 district--no."

20 B. Within fourteen days after the election, the board of supervisors
21 shall meet and canvass the returns, and if it is determined that a majority
22 of the votes cast at the election in each of the affected districts is in
23 favor of merging the fire districts, the board shall enter that fact on its
24 minutes.

25 C. Except as prescribed in subsection D of this section, two or more
26 fire districts may merge if the governing body of each affected fire
27 district, by a majority vote of the members of each governing body, adopts a
28 resolution declaring that a merger be considered and a public hearing be held
29 to determine if a merger would be in the best interests of the district and
30 would promote public health, comfort, convenience, necessity or welfare.
31 After each district adopts such a resolution, the governing body by first
32 class mail shall send written notice of the resolution, its purpose and
33 notice of the day, hour and place of a hearing on the proposed merger to each
34 owner of taxable property within the boundaries of the district. The notice
35 shall contain the name and description of the boundaries of each district
36 proposed to be merged and a detailed, accurate map of the area to be included
37 in the merger. THE NOTICE ALSO SHALL CONTAIN AN ESTIMATE OF THE ASSESSED
38 VALUE OF THE MERGED DISTRICT, THE ESTIMATED CHANGE IN PROPERTY TAX LIABILITY
39 FOR A TYPICAL RESIDENT OF THE PROPOSED MERGED DISTRICT AND A LIST OF THE
40 BENEFITS AND INJURIES THAT MAY RESULT FROM THE PROPOSED MERGED DISTRICT. No
41 new territory may be included as a result of the merger.

42 D. A noncontiguous county island fire district formed pursuant to
43 section 48-851 shall not merge with a fire district formed pursuant to
44 section 48-261.

1 E. The clerk of the governing body shall post notice in at least three
2 conspicuous public places in the district and shall also publish notice twice
3 in a daily newspaper of general circulation in the county in which the
4 district is located, at least ten days before the public hearing. The clerk
5 of each governing body affected by the proposed merger shall also mail notice
6 and a copy of the resolution in support of CONSIDERING the merger to the
7 chairman of the board of supervisors of the county or counties in which the
8 affected districts are located. The chairman of the board of supervisors
9 shall order a review of the proposed merger and shall submit written comments
10 to the governing body of each fire district located in that county within ten
11 days after receipt of the notice.

12 F. At the hearing, ~~the~~ EACH governing body of the district shall
13 consider the comments of the board of supervisors, hear those persons who
14 appear for or against the proposed merger and determine whether the proposed
15 merger will promote public health, comfort, convenience, necessity or
16 welfare. If, after the public hearing each of the governing bodies of the
17 districts affected by the proposed merger adopt a resolution by a
18 ~~three-fourths~~ MAJORITY vote that the merger will promote public health,
19 comfort, convenience, necessity or welfare, each of the governing bodies of
20 the districts affected by the proposed merger shall submit TO THE BOARD OF
21 SUPERVISORS the resolutions ~~to the board of supervisors~~ THAT CALL FOR AN
22 ELECTION.

23 G. Before considering any resolution of merger pursuant to this
24 section, a governing body shall obtain written consent to the merger from any
25 single taxpayer residing within each of the affected districts who owns
26 thirty per cent or more of the net assessed valuation of the total net
27 assessed valuation of the district. If written consent contemplated by this
28 subsection is not obtained, ~~then the provisions of~~ subsections A and B apply,
29 and the merger may only be accomplished by election.

30 H. If the ~~proposal for~~ merger is approved as provided by subsection B
31 OR J of this section, the governing body of the affected district with the
32 largest population within thirty days shall call a joint meeting of the
33 governing bodies of all of the affected districts. At the joint meeting, a
34 majority of the members of the governing body of each affected district
35 constitutes a quorum for the purpose of transacting business. The members of
36 the governing body shall appoint a total of five persons from those currently
37 serving on the governing bodies who shall complete their regular terms of
38 office, except that no more than three of the persons appointed may serve
39 terms that end in the same year. No more than three members shall be
40 appointed from the same fire district board. Subsequent terms of office for
41 district board members shall be filled by election of board members who shall
42 be qualified electors of the merged district.

43 I. The appointed governing body shall immediately meet and organize
44 itself and elect from its members a chairman and a clerk. The appointed
45 board by resolution shall declare the districts merged and each affected

1 district joined. The governing board by resolution shall declare the name of
2 the newly merged fire district. The resolution and the names of the new
3 board members for the newly organized district shall be sent to the board of
4 supervisors, and the ~~merger shall be deemed completed~~ DISTRICTS ARE MERGED
5 EFFECTIVE thirty days after the adoption of the resolution.

6 J. If the requirements of subsection G of this section are met and
7 each of the governing body votes required by subsections C and F of this
8 section are unanimous, THE FOLLOWING APPLY:

9 1. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO MERGE BY
10 UNANIMOUS RESOLUTION WITHOUT AN ELECTION AND subsections A and B of this
11 section do not apply.

12 2. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO HOLD AN
13 ELECTION ON THE QUESTION OF MERGER AND SUBSECTIONS A AND B OF THIS SECTION
14 APPLY.

15 Sec. 4. Section 48-822, Arizona Revised Statutes, is amended to read:

16 48-822. Election to consolidate fire districts; resolution;
17 hearing

18 A. Except as provided in subsection E of this section, the board of
19 supervisors shall make an order calling for an election to decide whether to
20 consolidate fire districts when a resolution for consolidation of fire
21 districts from ~~the requesting~~ EACH district is submitted to the board OF
22 SUPERVISORS. The board of supervisors shall not make an order calling for an
23 election to consolidate fire districts more frequently than once every two
24 years. Whether or not the districts are consolidated, the fire districts
25 shall reimburse the counties for the expenses of the election, including the
26 cost of mailing any notices. If the proposed district is located in more than
27 one county, the resolutions shall be submitted to the board of supervisors of
28 the county in which the majority of the assessed valuation of the proposed
29 district is located. The words appearing on the ballot shall be "(insert
30 fire districts' names) consolidate as a fire district--yes" and "(insert fire
31 districts' names) consolidate as fire district--no."

32 B. Within fourteen days after the election, the board of supervisors
33 shall meet and canvass the returns, and if it is determined that a majority
34 of the votes cast at the election in each of the affected districts is in
35 favor of consolidating the fire districts, the board shall enter that fact on
36 its minutes.

37 C. Except as proscribed by subsection D of this section, a fire
38 district may consolidate with one or more other fire districts formed
39 pursuant to section 48-261 as follows:

40 1. A resolution requesting the consolidation of ~~one~~ A fire district is
41 passed by a majority vote of the governing body requesting consolidation into
42 another fire district. The requesting district shall send by first class
43 mail the notice of request to consolidate districts to the fire district in
44 which the consolidation is requested.

1 2. On receipt of the resolution requesting consolidation, and on
2 approval by majority vote of the governing body receiving the request, TWO OR
3 MORE FIRE DISTRICTS MAY CONSOLIDATE IF THE GOVERNING BODY OF EACH AFFECTED
4 FIRE DISTRICT BY A MAJORITY VOTE OF THE MEMBERS OF EACH GOVERNING BODY ADOPTS
5 A RESOLUTION DECLARING THAT A CONSOLIDATION BE CONSIDERED AND A PUBLIC
6 HEARING BE HELD TO DETERMINE IF A CONSOLIDATION WOULD BE IN THE BEST INTEREST
7 OF THE DISTRICTS AND WOULD PROMOTE THE PUBLIC HEALTH, COMFORT, CONVENIENCE,
8 NECESSITY OR WELFARE. AFTER EACH DISTRICT ADOPTS SUCH A RESOLUTION, THE
9 GOVERNING BODY BY FIRST CLASS MAIL SHALL SEND WRITTEN NOTICE OF THE
10 RESOLUTION, ITS PURPOSE AND NOTICE OF THE DAY, HOUR AND PLACE OF A HEARING ON
11 THE PROPOSED CONSOLIDATION TO EACH OWNER OF TAXABLE PROPERTY WITHIN THE
12 BOUNDARIES OF THE DISTRICT. THE NOTICE SHALL CONTAIN THE NAME AND
13 DESCRIPTION OF THE BOUNDARIES OF EACH DISTRICT THAT IS PROPOSED TO BE
14 CONSOLIDATED AND A DETAILED, ACCURATE MAP OF THE AREA TO BE INCLUDED IN THE
15 CONSOLIDATION. THE NOTICE ALSO SHALL CONTAIN AN ESTIMATE OF THE ASSESSED
16 VALUE OF THE CONSOLIDATED DISTRICT, THE ESTIMATED CHANGE IN THE PROPERTY TAX
17 LIABILITY FOR A TYPICAL RESIDENT OF THE PROPOSED CONSOLIDATED DISTRICT AND A
18 LIST OF THE BENEFITS AND INJURIES THAT MAY RESULT FROM THE PROPOSED
19 CONSOLIDATED DISTRICT. NO NEW TERRITORY MAY BE INCLUDED AS A RESULT OF THE
20 CONSOLIDATION. ~~the fire districts by mutual agreement shall prepare a~~
21 ~~consolidation impact statement that includes the following:~~

22 ~~(a) A legal description of the boundaries of the proposed consolidated~~
23 ~~district and a detailed, accurate map of the area to be included in the~~
24 ~~consolidated district. No new territory may be included as a result of a~~
25 ~~district consolidation.~~

26 ~~(b) An estimate of the assessed valuation in the proposed consolidated~~
27 ~~district.~~

28 ~~(c) An estimate of the change in the property tax liability of a~~
29 ~~typical resident of the proposed consolidated district as a result of the~~
30 ~~proposed consolidated district.~~

31 ~~(d) A list and explanation of benefits that will result from the~~
32 ~~proposed consolidated district.~~

33 ~~(e) A list and explanation of the injuries that will result from the~~
34 ~~proposed consolidated district.~~

35 3. ~~On completion of the consolidation impact statement, the governing~~
36 ~~body of each fire district shall set a day for a hearing on the impact~~
37 ~~statement that is not fewer than sixty nor more than ninety days after the~~
38 ~~date of the completion and approval of the consolidation impact statement.~~
39 ~~The district governing bodies at any time before making a determination~~
40 ~~pursuant to paragraph 5 of this subsection may require that the impact~~
41 ~~statement be amended to include any information that the board deems to be~~
42 ~~relevant and necessary.~~

43 4. ~~On setting the date for hearing on the consolidated district impact~~
44 ~~statement, the clerk of each governing body shall send by first class mail~~
45 ~~written notice of the statement, its purpose and notice of the day, hour and~~

1 ~~place of the hearing on the proposed consolidated district to each owner of~~
2 ~~taxable property within the boundaries of the respective fire districts. At~~
3 ~~least ten days before the hearing, the clerk of each governing body shall~~
4 ~~post the notice in at least three conspicuous public places in the respective~~
5 ~~districts and shall publish notice twice in a daily newspaper of general~~
6 ~~circulation in the area of the proposed consolidated district.~~

7 ~~5. At the hearing called pursuant to paragraph 3 of this subsection,~~
8 ~~the governing body shall hear those persons who appear for and against the~~
9 ~~proposed consolidated district and shall determine whether the creation of~~
10 ~~the district will promote public health, comfort, convenience, necessity or~~
11 ~~welfare. If the governing body of each district determines that the public~~
12 ~~health, comfort, convenience, necessity or welfare will be promoted, it shall~~
13 ~~approve the consolidated district impact statement.~~

14 ~~6. Within fifteen days after the approval of the board as prescribed~~
15 ~~by paragraph 5 of this subsection, the clerk of the board of the district~~
16 ~~requesting consolidation shall send by first class mail notice of the~~
17 ~~approval to the fire district in which the consolidation is requested.~~

18 ~~7. After receiving the approval of the requesting governing body to~~
19 ~~consolidate districts as provided in paragraph 6 of this subsection, the~~
20 ~~governing body of the district into which consolidation was requested shall~~
21 ~~set a day for a hearing on the consolidation of the districts. The hearing~~
22 ~~shall be held not fewer than thirty nor more than sixty days after the date~~
23 ~~of the approval by the requesting governing body.~~

24 ~~8. At the hearing called pursuant to paragraph 7 of this subsection,~~
25 ~~the governing body shall determine if the creation of the consolidated~~
26 ~~district will promote public health, comfort, convenience, necessity or~~
27 ~~welfare. If the governing body of the district determines that the public~~
28 ~~health, comfort, convenience, necessity or welfare will be promoted, it shall~~
29 ~~by resolution declare the districts consolidated and each affected district~~
30 ~~joined.~~

31 ~~9. The governing body shall submit the resolution of consolidation to~~
32 ~~the board of supervisors.~~

33 3. THE CLERK OF THE GOVERNING BODY OF THE FIRE DISTRICTS AFFECTED BY
34 THE PROPOSED CONSOLIDATION SHALL POST NOTICE IN AT LEAST THREE CONSPICUOUS
35 PUBLIC PLACES IN THE DISTRICT AND ALSO SHALL PUBLISH NOTICE TWICE IN A DAILY
36 NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE DISTRICT IS
37 LOCATED AT LEAST TEN DAYS BEFORE THE PUBLIC HEARING. THE CLERK OF EACH
38 GOVERNING BODY AFFECTED BY THE PROPOSED CONSOLIDATION SHALL ALSO MAIL NOTICE
39 AND A COPY OF THE RESOLUTION IN SUPPORT OF CONSIDERING CONSOLIDATION TO THE
40 CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE COUNTY OR COUNTIES IN WHICH THE
41 AFFECTED DISTRICTS ARE LOCATED. THE CHAIRMAN OF THE BOARD OF SUPERVISORS
42 SHALL ORDER A REVIEW OF THE PROPOSED CONSOLIDATION AND SHALL SUBMIT WRITTEN
43 COMMENTS TO THE GOVERNING BODY OF EACH FIRE DISTRICT LOCATED IN THE COUNTY
44 WITHIN TEN DAYS AFTER RECEIPT OF THE NOTICE.

1 4. AT THE HEARING, THE GOVERNING BODY OF THE DISTRICT SHALL CONSIDER
2 THE COMMENTS OF THE BOARD OF SUPERVISORS, HEAR THOSE PERSONS WHO APPEAR FOR
3 OR AGAINST THE PROPOSED CONSOLIDATION AND DETERMINE WHETHER THE PROPOSED
4 CONSOLIDATION WILL PROMOTE THE PUBLIC HEALTH, COMFORT, CONVENIENCE, NECESSITY
5 OR WELFARE. IF, AFTER THE PUBLIC HEARING, EACH OF THE GOVERNING BODIES OF
6 THE DISTRICTS AFFECTED BY THE PROPOSED CONSOLIDATION ADOPT A RESOLUTION BY A
7 MAJORITY VOTE THAT THE CONSOLIDATION WILL PROMOTE THE PUBLIC HEALTH, COMFORT,
8 CONVENIENCE, NECESSITY OR WELFARE, EACH OF THE GOVERNING BODIES OF THE
9 DISTRICTS AFFECTED BY THE PROPOSED CONSOLIDATION SHALL SUBMIT THE RESOLUTIONS
10 CALLING FOR AN ELECTION TO THE BOARD OF SUPERVISORS.

11 ~~10-~~ 5. IF THE PROPOSAL FOR CONSOLIDATION IS APPROVED AS PROVIDED IN
12 SUBSECTIONS A AND B OF THIS SECTION, THE GOVERNING BODY OF THE DISTRICT INTO
13 WHICH CONSOLIDATION WAS REQUESTED SHALL BY RESOLUTION DECLARE THE DISTRICT
14 CONSOLIDATED AND EACH AFFECTED DISTRICT JOINED. Those persons currently
15 serving as the governing body of the district into which consolidation was
16 requested shall serve as the governing body of the newly consolidated
17 district and complete their regular terms of office. The newly consolidated
18 district governing body shall consist of at least five members.

19 ~~11-~~ 6. If the consolidation results in a new district population that
20 is greater than fifty thousand persons, the new governing board may appoint
21 an additional two members to serve until the next general election at which
22 time the newly elected member with the highest number of votes serves a four
23 year term and the other member serves a two year term. Thereafter, the term
24 of office for these two new members is four years.

25 ~~12-~~ 7. The governing body by resolution shall declare the name of the
26 newly consolidated fire district.

27 ~~13. If a newly consolidated fire district has a combined population~~
28 ~~that exceeds fifty thousand persons, the governing body of the newly~~
29 ~~consolidated fire district by resolution may declare the name of the newly~~
30 ~~consolidated fire district to include within the name the title of fire~~
31 ~~authority.~~

32 ~~14-~~ 8. If a proposed consolidated district would include property
33 located in an incorporated city or town, in addition to the other
34 requirements of this section, the governing body of the district shall
35 approve the creation of the consolidated district only if the governing body
36 of the city or town endorses the creation by ordinance or resolution.

37 ~~15-~~ 9. Before considering any resolution of consolidation pursuant to
38 this section, a governing body shall obtain written consent to the
39 consolidation from any single taxpayer residing within each of the affected
40 districts who owns thirty per cent or more of the net assessed valuation of
41 the total net assessed valuation of the district.

42 D. A noncontiguous county island fire district formed pursuant to
43 section 48-851 shall not consolidate with a fire district formed pursuant to
44 section 48-261.

1 E. If the requirements of subsection C, paragraph 15 9 of this section
2 are met and each of the governing body votes required by this section are
3 unanimous, THE FOLLOWING APPLY:

4 1. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO CONSOLIDATE BY
5 UNANIMOUS RESOLUTION WITHOUT AN ELECTION AND subsections A and B of this
6 section do not apply.

7 2. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO HOLD AN
8 ELECTION ON THE QUESTION OF CONSOLIDATION AND SUBSECTIONS A AND B OF THIS
9 SECTION APPLY.

APPROVED BY THE GOVERNOR APRIL 26, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 26, 2011.

Passed the House April 14, 2011,

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting

[Signature]
Speaker of the House

Cheryl Laube
Chief Clerk of the House

Passed the Senate March 2, 2011,

by the following vote: 29 Ayes,

0 Nays, 0 Not Voting

[Signature]
President of the Senate

Charmian Bellinger
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

S.B. 1502

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 18, 2011

by the following vote: 27 Ayes,

2 Nays, 1 Not Voting

Ramon M. Valle
President of the Senate

Charmine Bellifon
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

18 day of April, 2011

at 2:45 o'clock 2 M.

W. L. Bence
Secretary to the Governor

Approved this 26th day of

April

at 2:43 o'clock P. M.

Janice Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 26th day of April, 2011

S.B. 1502

at 4:57 o'clock P. M.

Kla Blumett
Secretary of State